



CHRIS HANI DISTRICT MUNICIPALITY

BUDGET

FOR

2011/12 & 2013-14

	TABLE OF CONTENTS	PG
1. Budget Related Resolutions		3
2. The Budget		4
2.1 Executive Summary		4
Operating Income		4
Capital Income		4
Operating Expenditure		5
Capital Expenditure		5
BIG Projects		6-7
MIG Projects		8-12
2.2 Budget Related Charts& Explanatory Notes		13
Chart1: Revenue by Major Source		14
Chart2: Operating Expenditure per Major Vote		15
Chart3: Operating Asset Finance Reserve		16
3. Supporting Documentation (Process Overview)		17
4. Municipal Annual Budget Budgets and MTREF & supporting Tables		
5. Budget Related Policies		

1. BUDGETED RELATED RESOLUTIONS

RECOMMENDATIONS

- (a) That the Draft Operating budget for the MTREF for the period 2011/2012 to 2013 & 2014 be noted and accepted.
- (b) That the Draft Capital budget for the MTREF for the period 2011/2012 to 2012 & 2014 be noted and accepted.
- (c) That a total amount of R2.5 million be included into the budget for new positions.
- (d) That all council tariffs increase by 6%.

2. THE BUDGET

2.1 EXECUTIVE SUMMARY

OPERATING INCOME

The total estimated Operating Income for the 2011/2012 financial year amounts to R 455,121,590 which is generated from :

* Equitable Share	R 325,908,000
* MSIG	R 790,000
* MIG	R 3,000,000
* LG FMG	R 1,250,000
* EPWP	R 16,400,000
* Provincial	R 14,589,549
* DWAF Operating	R 7,512,000
* Investment Income	R 15,453,500
* Interest Bank Account	R 10,000,000
* Interest Debtors	R 12,000
* Other Income	R 1,478,240
* Accumulated Surplus	R 58,728,000
Total	R 455,121,590

The amount of R 455,121,590 reflects a decrease of 1.32% on the previous years operating income

CAPITAL INCOME

The total estimated Capital Income for the 2011/2012 financial year amounts to R403,702,451 which is generated from :

* MIG- Projects	R 281,604,000
* BIG – Projects	R 112,000,000
* Other Nat Projects	R 1,688,000
* Roads Section	R 7,910,451
* Investment Income	R 500,000
* Accumulated Surplus	R 220,000,000
* External Funding(to be sourced)	R 44,000,000
Total	R 667,702,451

The amount of R667,702,451 reflects an increase of 15.7% on the previous years capital income approved budget.

OPERATING EXPENDITURE

The total estimated expenditure for the 2011/2012 financial year amounts to R455,121,590 which derives from :

* Salaries and allowances	R 132,581,194
* Remuneration of Councillors	R 7,335,329
* Collection Costs	R 341,927
* Depreciation	R 3,084,800
* Repair and Maintenance	R 3,730,064
* Bulk Purchases	R 10,104,402
* Contracted Services	R 2,669,589
* Grants and Subsidies	R 171,285,239
* General Expenses	R 113,094,863
* Asset Finance Reserve	R 9,500,472
Total	R 455,121,590

The amount of R455,121,590 reflects an increase of 24.4% on the previous years expenditure.

CAPITAL EXPENDITURE

The total estimated capital expenditure for the 2011/2012 financial year amounts to R671,702,451 which derives from :

* MIG- Projects	R 281,604,000
* BIG – Projects	R 112,000,000
* Roads Section	R 7,910,451
* LED- Projects	R 14,500,000
* Provincial- Other	R 1,688,000
* Council- Building	R 250,000,000
Total	R 667,702,451

The amount of R667,702,451 reflects an increase of 49.3% on the previous years expenditure.

EXPLANATORY NOTE

The budget to be augmented from accumulated surplus, indicates that we are living above our means.

Contributions from accumulated surpluses have become a trend and accumulated surpluses with this current budget will be depleted.

Remedial action such as cost cutting exercises, aligning of programmes to priority issues (CHDM turnaround objectives); and review of programmes in terms of our functional mandates must be undertaken.

CHRIS HANI DISTRICT MUNICIPALITY

CAPITAL BUDGET - 2011 /12to 2013/14

BIG PROJECTS

Project Number (1)	Project Name				
		Funder	2011/12	2012/13	2013/14
	-	-			
	INTSIKA YETHU MUNICIPALITY	Funder	2011/12	2012/13	2013/14
ECR023	Cluster 9 Water backlog (Ward 13)	BIG	R 21 500 000.00	R 35 500 000.00	R 45 000 000.00
	Cluster 4 Water Backlog	BIG	R 8 500 000	R 23 250 000	R 40 000 000
TOTAL: INTSIKA YETHU LM			R 30 000 000	R 58 750 000	R 85 000 000
	-	-			
	INXUBA YETHEMBA MUNICIPALITY	Funder	2011/12	2012/13	2013/14
ECROO5a	Middleburg Water Provision	BIG	R 12 000 000	R 9 250 000	R 0
TOTAL: INXUBA YETHEMBA LM			R 12 000 000	R 9 250 000	R 0
LUKHANJI MUNICIPALITY		Funder	2011/12	2012/13	2013/14
	Augment Queenstown water supply(Xonxa)	BIG	R 38 000 000	R 45 100 000	R 55 000 000
TOTAL: LUKHANJI LM			R 38 000 000	R 45 100 000	R 55 000 000
NGCOBO MUNICIPALITY		Funder	2011/12	2012/13	2013/14
ECR025b	Cluster 6 Water Backlog(Ward 9,13,15,16))	BIG	20 000 000.00	57 000 000.00	70 000 000.00
TOTAL: NGCOBO LM			R 20 000 000	R 57 000 000	R 70 000 000
	-	-			
TSOLWANA MUNICIPALITY		Funder	2011/12	2012/13	2013/14
ECROO5b	Hofmeyer Water Supply	BIG	R 12 000 000	R 9 250 000	R 0
			R 12 000 000	R 9 250 000	R 0
TOTAL: TSOLWANA LM	CHRIS HANI DISTRICT MUNICIPALITY				

GRAND TOTAL: BIG PROJECTS			R 112 000 000	R 179 350 000	R 210 000 000
SOURCE OF FUNDING			2011/12	2012/13	2012/13

CHRIS HANI DISTRICT MUNICIPALITY

CAPITAL BUDGET - 2011/12 to 2013/14

MIG PROJECTS

Project Number (1)	Jobs 2010/2011	Project Name					2011/2012						
							Funder	2011/12	2012/13	2013/2014	WATER	SANITA-TIO	OTHER
EMALAHLENI MUNICIPALITY													
232	M080027	Indwe Rehabilitation of Rds &S/water	MIG	R 3 000 000	R 100 000	R 0				R 3 000 000			
294	M080029	Cacadu Villages Water	MIG	R 100 000	R 0			R 100 000					
	M080030	Mackay's Nek Sanitation	MIG	R 10 000 000	R 10 000 000	R 8 000 000			R 10 000 000				
	M080033	Vukani Bulk Services water & roads	MIG	R 2 000 000	R 250 000	R 0	R 2 000 000						
1208	M080031	Qoqodala Access Road	MIG	R 500 000	R 0	R 0				R 500 000			
1067	M080032	Dubeni Access Road	MIG	R 350 000	R 0	R 0				R 350 000			
	M080034	Cluster 1 Water backlog (Wards 7,8,10,13,14)	MIG	R 10 000 000	R 14 000 000	R 13 000 000	R 10 000 000						
	M080036	Cluster 2 Water Backlog (Wards 1,2,4&6)	MIG	R 4 000 000	R 5 000 000	R 8 000 000	R 4 000 000						
	M080042	Cluster 4 Water Backlog	MIG	R 2 674 886	R 12 000 000	R 13 000 000	R 2 674 886						
	M080044	Cluster 4 sanitation (Wards 2,3,4,5,15,16,Vukani Guba,& Percy Villages)	MIG	R 10 000 000	R 11 000 000	R 12 000 000			R 10 000 000				
	M080043	Cluster 3 Sanitation(Wards 7,8,9,10,11,12,13& 14)	MIG	R 10 000 000	R 9 000 000	R 12 000 000			R 10 000 000				
	M080040	Dodrecht Bucket Eradication	MIG	R 1 000 000	R 3 800 000	R 2 000 000			R 1 000 000				
TOTAL: EMALAHLENI LM				53 624 886	65 150 000	68 000 000	18 774 886	31 000 000		3 850 000			
INKWANCA MUNICIPALITY				Funder	2011/12	2012/13	2013/2014	WATER	SANITA-TIO	OTHER			
	M0600 08	Molteno Oxidation Ponds	MIG	R 6 000 000	R 500 000				R 6 000 000				
		Bulk Services Water and Sanitation Molteno (WWTW, WTW)	MIG	R 600 000	R 1 500 000	R 2 300 000			R 600 000				
		Bulk Services Water and Sanitation Sterkstrom (WWTW, WTW)	MIG	R 500 000	R 1 500 000	R 2 000 000			R 500 000				
	M0600 09	Molteno Sport Complex	MIG	R 3 000 000	R 1 000 000	R 0				R 3 000 000			
TOTAL: INKWANCA LM					R 10 100 000	R 4 500 000	R 4 300 000	R 0	R 7 100 000	R 3 000 000			

INTSIKA YETHU MUNICIPALITY				2011/12	2012/13	2013/2014	WATER	SANITA-TIO	OTHER
106	M1000 10	Cofimvaba Sewer (Bulk line and treatmworks)	MIG	R 2 500 000	R 5 000 000.00	R 6 000 000.00		R 2 500 000	
821	M1000 11	Tsomo RDP 2 Water supply	MIG	R 2 000 000	R 0.00	R 0.00	R 2 000 000		
282	M1000 12	Tsomo RDP 3	MIG	R 2 500 000	R 0.00	R 0.00	R 2 500 000		
716	M1000 14	Cofimvaba Ward 15 - Water Reticulation Phase 2	MIG	R 1 500 000	R 0.00	R 0.00	R 1 500 000		
528	M1000 16	Cofimvaba - Roads in Wards 7, 9, 12, 14(528)	MIG	R 2 000 000	R 0.00	R 0.00			R 2 000 000
507	M1000 19	Luthuli water supply	MIG	R 2 000 000	R 0.00	R 0.00	R 2 000 000		
718	M1000 20	Ward 8 Sanitation	MIG	R 2 500 000	R 2 000 000	R 500 000.00		R 2 500 000	
715	M1000 21	Ward 3 Sanitation	MIG	R 2 000 000	R 2 000 000	R 500 000.00		R 2 000 000	
877	M1000 23	Qamata water Project(877)	MIG	R 2 500 000	R 2 000 000	R 3 000 000	R 2 500 000		
	M1000 27	Intsika Yethu Ward (6,9,12,21 old phase 2) Water Supply	MIG	R 1 118 222.00	R 1 000 000	R 4 000 000.00	R 1 118 222		
	M1000 32	Kuluqolo Access Roads	MIG	R 300 000.00	R 0.00	R 0.00			R 300 000.00
	M1000 25	Intsika Yethu Sanitation Ward 4, 7,8 & 23- Amanzabantu	MIG	R 3 000 000.00	R 2 000 000	R 500 000.00		R 3 000 000.00	
	M1000 08	Cofimvaba water reticulation	MIG	R 3 000 000.00	R 500 000	R 0.00	R 3 000 000		
	M1000 35	Cluster 6 Sanitation (Wards 1,2,3,6,9&22)	MIG	R 6 500 000.00	R 12 000 000	R 13 000 000.00		R 6 500 000	
	M1000 36	Cluster 7 Sanitation (Wards 10,11,12,14 & 20)	MIG	R 6 500 000.00	R 12 000 000	R 13 000 000.00		R 6 500 000	
	M1000 37	Cluster 8 Sanitation (Wards 15,16,17,18,19)	MIG	R 4 500 000.00	R 12 000 000	R 13 000 000.00		R 4 500 000	
	M1000 38	Cluster 2 Water backlog(Ward1,4,5,6,7)	MIG	R 2 500 000.00	R 12 000 000	R 13 000 000.00	R 2 500 000		
	M1000 39	Cluster 4 Water backlog(Ward 21,22)	MIG	R 3 500 000.00	R 10 000 000	R 12 000 000.00	R 3 500 000		
	M1000 07	Cluster 8 Water backlog(Ward 16,17,18)	MIG	R 3 000 000.00	R 4 901 000.00	R 10 384 000.00	R 3 000 000		
	M1000 09	Cluster 9 Water backlog (Ward 13)	MIG	R 1 500 000.00	R 8 000 000.00	R 10 000 000.00	R 1 500 000		
	M1000 40	Upgrading of Tsojana Treatment Works and Bulkline	MIG	R 2 000 000.00	R 7 000 000.00	R 3 000 000.00	R 2 000 000		
	M1000 42	Tsomo Bulk Services(New Housing Development In Tsomo)	MIG	R 500 000.00	R 8 000 000.00	R 6 000 000.00	R 500 000		
TOTAL: INTSIKA YETHU LM				R 57 418 222	R 100 401 000	R 107 884 000	R 27 618 222	R 27 500 000	R 2 300 000
		-		-					

INXUBA YETHEMBA MUNICIPALITY				2011/12	2012/13	2013/2014	WATER	SANITA-TIO	OTHER
	M0500 07	Rosmead Rural Water	MIG	R 5 000 000	R 4 500 000	R 3 000 000	R 5 000 000		
		Lingelihle Sewer Pump Station	MIG	R 1 000 000	R 1 500 000	R 500 000		R 1 000 000	
		Cradock Water Treatment Works	MIG	R 500 000	R 1 500 000	R 3 500 000	R 500 000		
		Cradock Clear Water Reservoir	MIG	R 500 000	R 1 000 000	R 1 900 000	R 500 000		
TOTAL: INXUBA YETHEMBA LM				R 7 000 000	R 8 500 000	R 8 900 000	R 6 000 000	R 1 000 000	R 0
LUKHANJI MUNICIPALITY				2011/12	2012/13	2013/2014	WATER	SANITA-TIO	OTHER
	M0400 18	RA 60 Hewu Bulk Water Supply (Reticulation)	MIG	R 2 500 000	R 5 000 000	R 5 000 000	R 2 500 000		
	M0400 01	Rathwick Water and Sanitation	MIG	R 5 000 000	R 4 000 000	R 6 000 000	R 5 000 000		
		Upgrading Whittlesea/Sada WTW	MIG	R 500 000	R 1 000 000	R 1 000 000		R 500 000	
		Ilinge Bulk Services	MIG	R 500 000	R 1 000 000	R 1 000 000	R 500 000		
	M0400 28	Cluster 1 Water backlog (ward 27)	MIG	R 2 000 000	R 9 000 000	R 9 000 000	R 2 000 000		
	M0400 25	Cluster 3 water backlog (Ward 1)	MIG	R 6 500 000	R 9 000 000	R 9 000 000	R 6 500 000		
	M0400 29	Cluster 1 Sanitation (Wards 5,11,12,13,14,18,27)	MIG	R 8 960 892	R 6 000 000	R 6 000 000		R 8 960 892	
	M0400 30	Cluster 2 Sanitation (Wards 1,2,3,4,6,23,19,20,23,24,25,26,	MIG	R 8 000 000	R 6 000 000	R 6 000 000		R 8 000 000	
TOTAL: LUKHANJI LM				R 33 960 892	R 41 000 000	R 43 000 000	R 16 500 000	R 17 460 892	R 0
NGCOBO MUNICIPALITY				2011/12	2012/13	2013/2014	WATER	SANITA-TIO	OTHER
269	M0900 09	Nkondlo/Gqobonco water supply (Bulk supply)	MIG	4 000 000	-	-	4 000 000		
376	M0900 10	Lower Ggaga water supply	MIG	500 000	-	-	500 000		
690	M0900 11	Bojane Skobeni Water Supply	MIG	3 500 000	500 000	-	3 500 000		
1031	M0900 12	Engcobo treatment works	MIG	4 000 000	8 000 000	10 000 000		4 000 000	
	M0900 23	Extension 11 Bulk Services	MIG	1 000 000	3 000 000	6 000 000	1 000 000		
	M0900 24	Augmentation of Nkobongo Water Scheme	MIG	2 000 000	5 000 000	5 000 000	2 000 000		
	a	Cluster 6 Water Backlog(Ward 9,13,15,16))	MIG	15 000 000	10 000 000	10 000 000	15 000 000		
	M0900 18	Cluster 5 Water Backlog(Ward 6,12,13,14)	MIG	1 000 000	5 000 000	10 000 000	1 000 000		
	M0900	Cluster 7 Water Backlog(Ward 7,8,9,10,11,15)	MIG	5 000 000	17 000 000	12 000 000	5 000 000		

	17							
	M0900 27	Cluster 9 Sanitation (Wards 1,2,3,4 & 6)	MIG	16 500 000	12 500 000	12 500 000		16 500 000
	M0900 28	Cluster 10 Sanitation (Wards 7,8,9,10,11 &12)	MIG	16 500 000	12 000 000	12 000 000		16 500 000
	M0900 29	Cluster 11 Sanitation (Wards 13,15 & 16)	MIG	16 000 000	12 000 000	12 000 000		16 000 000
TOTAL: NGCOBO LM				R 85 000 000	R 85 000 000	R 89 500 000	R 32 000 000	R 53 000 000
SAKHISIZWE MUNICIPALITY				2011/12	2012/13	2013/2014	WATER	SANITA-TIO
	M0700 16	Elliot Waste Water Treatment Works	MIG	4 800 000	5 800 000	500 000		4 800 000
	M0700 21	Cluster 5 Sanitation (Wards 2,3,4,7 and Talen)	MIG	12 000 000	9 000 000	10 500 000		12 000 000
	M0700 12	Cluster 4 waterbacklog(Wards 6,7,& 4)	MIG	2 500 000	8 000 000	8 000 000	2 500 000	
	M0700 22	Cala Bulk Water and Sanitation Services	MIG	200 000	3 000 000	8 000 000	200 000	
	M0700 18	Xalanga Ward 4 Water Supply	MIG	R 1 500 000	R 0		1 500 000	
TOTAL: SAKHISIZWE LM				R 21 000 000	R 25 800 000	R 27 000 000	R 4 200 000	R 16 800 000
		-	-					
TSOLWANA MUNICIPALITY				2011/12	2012/13	2013/2014	WATER	SANITA-TIO
	M0300 15	Cluster 1 Sanitation (Ward 2 & 3)	MIG	R 9 000 000	R 9 000 000	R 9 000 000		R 9 000 000
	M0300 11	Tarkastad Bucket Eradication	MIG	R 3 000 000	R 200 000	R 0		R 3 000 000
		Rehabilitation of Sewer Ponds	MIG	R 500 000	R 1 000 000	R 1 500 000		R 500 000
		Thembalethu Water Supply	MIG	R 500 000	R 1 000 000	R 1 500 000	R 500 000	
	M0300 16	Hofmeyer Pump station	MIG	R 500 000	R 1 500 000	R 1 500 000		R 500 000
				R 13 500 000	R 12 700 000	R 13 500 000	R 500 000	R 13 000 000
TOTAL: TSOLWANA LM		CHRIS HANI DISTRICT MUNICIPALITY						
		PMU Operational Budget 0910	MIG	R 3 000 000	R 3 000 000	R 3 000 000		R 3 000 000
	GRAND TOTAL: MIG PROJECTS			R 284 604 000	R 346 051 000	R 365 084 000	R 105 593 108	R 166 860 892
				2011/12	2012/13	2012/14	2011/12	2011/12

SOURCE OF FUNDING								
MIG ALLOCATION (MTEF)				R 284 604 000	R 346 051 000	R 365 084 000		
TOTAL FUNDING - MIG PROJECTS				R 284 604 000	R 346 051 000			

Summary of Projects

PROJECTS	EXPENDITURE
MIG	R281,604,000
RBIG	R112,000,000
IPED	R 14,500,000
COUNCIL(BUILDING)	R250,000,000
ROADS	R 7,910,451
RURAL TRANSPORT	R 1,688,000
TOTAL	R667,720,451

**CHRIS HANI DISTRICT MUNICIPALITY
OPERATING ASSETS CAPITAL BUDGET 2010 / 2011
(AFR)**

	2008 / 2009	2009 / 2010	2010 / 2011	2011 / 2012
	BUDGET	BUDGET	BUDGET	BUDGET
Summary	R	R	R	R
MUNICIPAL MANAGER OFFICER	4,209,600	500,028	1,828,382	230,000
CORPORATE SERVICES	142,700	1,885,000	174,200	3,549,000
BUDGET AND TREASURY OFFICE	190,000	241,776	160,100	215,586
COUNCIL GENERAL	1,012,000	53,132	0	50,000
HEALTH AND COMMUNITY SERVICES	2,419,000	2,813,000	2,538,220	4,950,000
TECHNICAL SERVICES	2,089,000	599,519	38,100	358,386
IPED	0	228,450	147,500	147,500
GRAND TOTAL - CHRIS HANI DISTRICT MUNICIPALITY	10,062,300	6,320,905	4,886,502	9,500,472

2.2 BUDGET RELATED CHARTS & EXPLANATORY NOTES

CHART 1: REVENUE BY MAJOR SOURCE

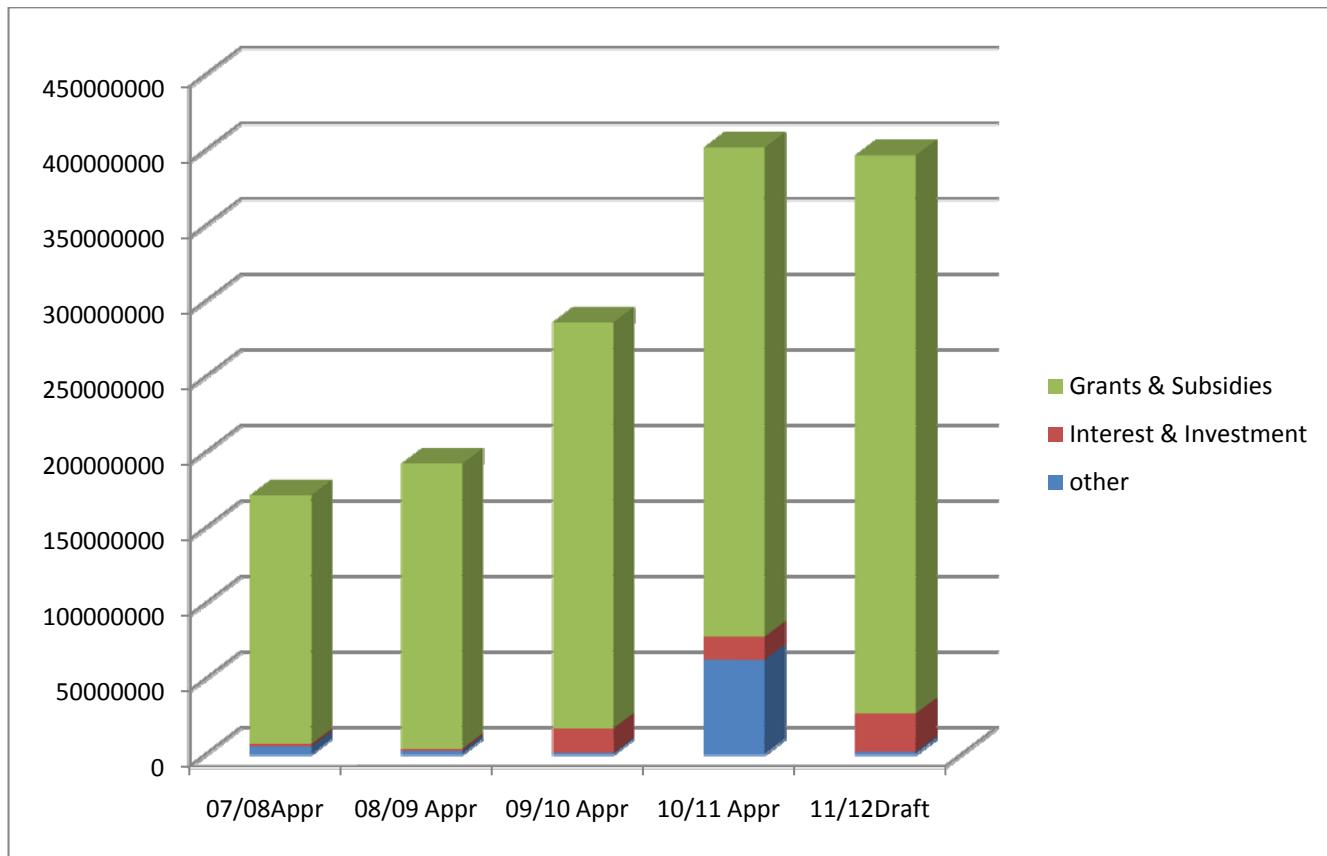


CHART 2: OPERATING EXPENDITURE PER MAJOR VOTE

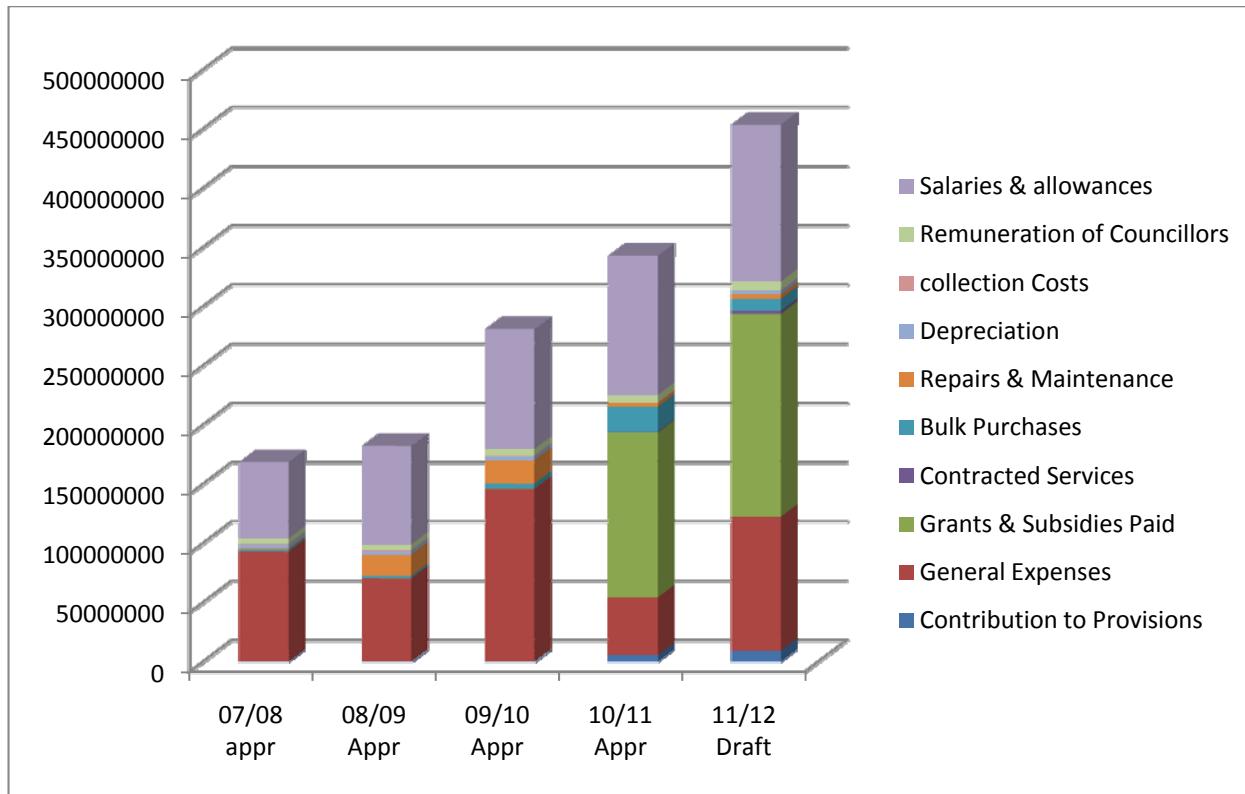
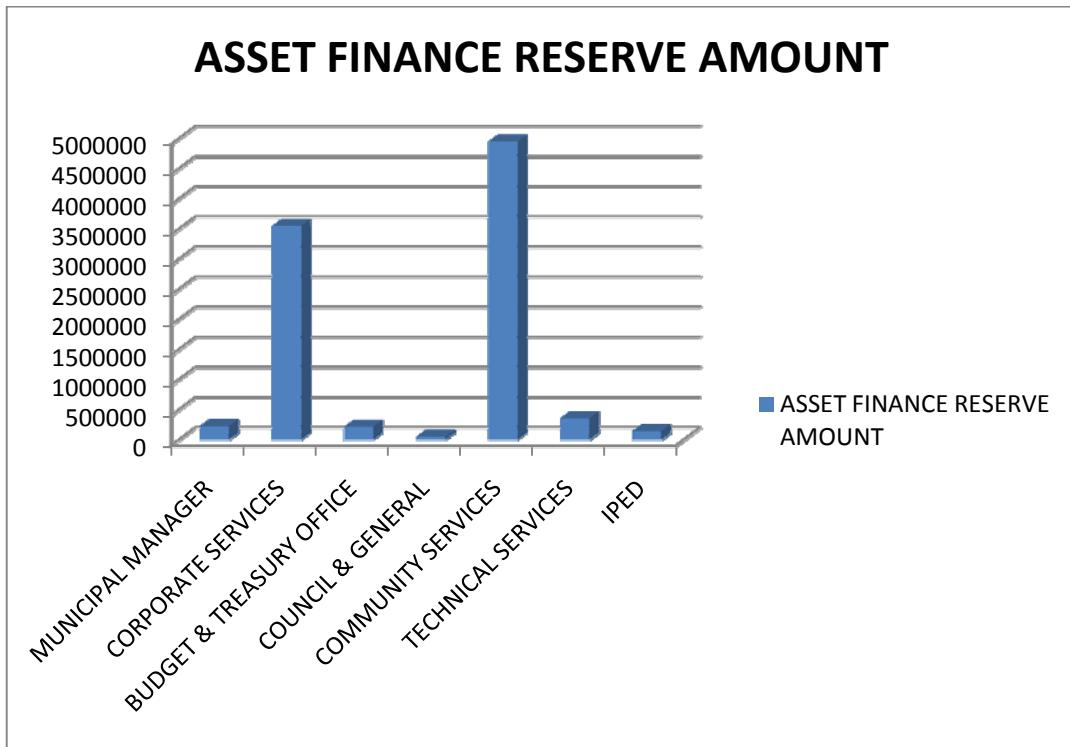


CHART 3: OPERATING ASSETS FINANCE RESERVE 2011/12



3. SUPPORTING DOCUMENTATION (PROCESS OVERVIEW)

PROCESS OVERVIEW

SUPPORTING DOCUMENTATION

Section 17(3) of the MFMA requires certain documents must accompany the budget.

The following table was adjusted to accommodate a call from Circular 54 to relook the time table for preparation of the budget to create a synergy with the local government elections.

Table 1 : Summary Budget Process Timeframe

Month	Activity	Responsibility
July 2010	Develop programme	CFO
August 2010	Discuss programme with Executive Mayor and MM	CFO
September 2010	Develop strategies	CFO
October 2010	Recognise spending capacity and constraints	CFO
November 2010	Issue Budget guidelines to Directorates	CFO
December 2010	Costing of personnel requirements Submission of Budget Proposals	CFO Directors
January 2011	Mid- year review approved Consolidate budget submissions	Mayor CFO
February 2011	Budget Hearings	Committee
March 2011	Compile Draft Budget	CFO
April 2011	Publish Draft Budget Arrange public participation Update Draft Budget	Com Services CFO
May 2011	Council approval of Budget	Mayor
June 2011	Publish Approved Budget	Com services

POLITICAL OVERSIGHT

Political input and direction was sought through the budget steering committee and further political oversight from directorate level.

LIST OF BUDGET RELATED POLICIES

1. Budget Policy
2. Asset Management Policy
3. Corruption and Fraud Policy
4. Fleet Management Policy
5. Credit Control and Debt Collection Policy
6. Supply Chain Management Policy
7. Virement Policy

Council to take note that the above policies have relation to the budget and its implementation.